



A summary of 2011 Blue Cross Blue Shield health coverage for Michigan public school retirees not eligible for Medicare

Effective January 1, 2011

About the health plan

When you retire, you and your family are eligible for health coverage through Blue Cross Blue Shield of Michigan. If you're not yet eligible for Medicare, you'll have coverage through the Blues' nationwide preferred provider organization (PPO), which allows you additional savings when you use our preferred providers. That includes hospital, medical and surgical care, emergency care, diagnostic services, hearing care and prescription drugs through Catalyst Rx.

When you become eligible for Medicare, the Retirement System provides Medicare coverage with prescription drugs. Be sure to enroll in Medicare Part A and Part B when you first become eligible.

Using preferred providers saves money, offers convenience

The national Blue PPO network offers providers selected for their quality of care and ability to provide cost-effective health care services. In Michigan, Blue Preferred® offers the largest statewide network of physicians, specialists and other providers — including every acute care hospital in the state. Outside Michigan, you have access to network providers through the BlueCard® PPO program. Your out-of-pocket costs are lower when you use network providers and it's convenient because you never have to file a claim.

For most services, you're free to choose your own physicians and hospitals and still have coverage. But, if you select a provider that's not part of the PPO network, you share a greater portion of the cost.

In Michigan, in addition to the Blue Preferred network, you'll also have:

- **Quest Diagnostics**, offering a network of independent labs within the state of Michigan.
- **The SUPPORT Program**, offering a statewide network of suppliers of medical equipment and supplies, and prosthetic and orthotic devices in the state of Michigan.
- **Catalyst Rx National Pharmacy Network** includes over 60,000 pharmacies including most national chains and many independent pharmacies. Please visit **www.catalystrx.com** to see if your pharmacy is in the network.
- **Medco By Mail™** nationwide pharmacy service will dispense up to a three-month supply of your maintenance medication and ship it directly to your home.

What you pay

The health plan has cost-sharing features in which you pay a portion of the cost of services through copays and a deductible. The annual deductible in 2011 is \$400 per member and \$300 per member for members enrolled in the LivingWell program.

The following summary indicates your out-of-pocket cost for covered services. Covered services will cost you less when you use a network provider. When you don't use network providers, you pay more: an additional 20 percent copay for most services.

| Your health coverage | What you pay | |
|--|--|--|
| Hospital care | In network | Out of network |
| Inpatient care Covered up to 365 days | Deductible plus 10% copay | Deductible plus 30% copay |
| Outpatient care | Deductible plus 10% copay | Deductible plus 30% copay |
| Emergency services | At a Blue-participating provider | At a non-Blue provider |
| Emergency medical care | Deductible plus 10% copay. Once the coinsurance maximum and deductible maximum have been met, each emergency room visit is subject to a flat \$50 copay with no maximum unless member is admitted to the hospital. | Deductible plus 10% copay. Once the coinsurance maximum and deductible maximum have been met, each emergency room visit is subject to a flat \$50 copay with no maximum unless member is admitted to the hospital. |
| Ambulance | Deductible plus 10% copay | Deductible plus 10% copay |
| Surgical services | In network | Out of network |
| Inpatient or outpatient surgery | Deductible plus 10% copay | Deductible plus 30% copay |
| Organ and tissue transplants Covered at Blue Cross Blue Shield of Michigan designated transplant facilities | Deductible plus 10% copay | All charges |
| Doctor visits and services | In network | Out of network |
| Inpatient visits | Deductible plus 10% copay | Deductible plus 30% copay |
| Office visits For diagnosis and treatment of general medical conditions | Deductible plus 10% copay | Deductible plus 30% copay |
| Annual gynecological exam — Covered once every 12 months | Deductible plus 10% copay | Deductible plus 30% copay |
| Diagnostic services | At a Quest Diagnostics lab | At a non-Quest lab |
| Laboratory and pathology services | | |
| At a laboratory (In Michigan) | At a Quest Diagnostics lab: Covered in full | At a non-Quest lab: 75% copay |
| At a laboratory (Out of Michigan) | At a Blue-participating provider: Deductible plus 10% copay | At non-Blue provider: 75% copay |
| At a physician's office | In network: Deductible plus 10% copay | Out of network: Deductible plus 30% copay |
| In an outpatient hospital setting | In network: Deductible plus 10% copay | Out of network: Deductible plus 30% copay |
| Routine annual Pap Smears — Covered once every 12 months | | |
| At a physicians office | Covered in full | 20% copay |
| In an outpatient hospital setting | Deductible plus 10% copay | Deductible plus 30% copay |
| At a laboratory | Covered in full | 75% copay |
| Prostate Specific Antigen screening — Covered once every 12 months | | |
| At a physician's office | Covered in full | 20% copay |
| In an outpatient hospital setting | Deductible plus 10% copay | Deductible plus 30% copay |
| At a laboratory | Covered in full | 75% copay |
| Diagnostic imaging services | In network | Out of network |
| Routine mammograms Covered once annually | Deductible plus 10% copay | Deductible plus 30% copay |
| Imaging services Includes X-ray, and CAT, MRI, PET scans | Deductible plus 10% copay | Deductible plus 30% copay |
| Alternatives to hospital care | At a Blue-participating provider | At a non-Blue provider |
| Skilled nursing care Covered up to 100 days | Deductible plus 10% copay | All charges |
| Home health care | Deductible | All charges |
| Hospice Covered up to 210 days | Deductible | All charges |
| Private duty nursing 24-hour continuous care | Deductible plus 10% copay | All charges |

The Michigan Public School Employees Retirement System health plan is administered by Blue Cross Blue Shield of Michigan under an agreement with the Michigan Office of Retirement Services. This publication is not a contract for coverage, but a brief outline of Blue Cross Blue Shield benefits offered to retirees and their eligible dependents who are not yet eligible for Medicare. The information provided here does not include all covered and noncovered services or conditions of coverage. If you enroll in the health plan, you will receive material that provides detailed information about your health plan and terms of coverage. Coverage, including copays and deductibles, is subject to change.

| Your health coverage | What you pay | |
|---|---|---|
| Other covered services | In network | Out of network |
| Allergy testing and treatment | Deductible plus 10% copay | Deductible plus 30% copay |
| Blood and blood products, covered after the first two units | Deductible plus 10% copay | Deductible plus 30% copay |
| Cardiac rehabilitation | Deductible plus 10% copay | Deductible plus 30% copay |
| Other covered services <i>continued</i> | In network | Out of network |
| Chemotherapy services | Deductible plus 10% copay | Deductible plus 30% copay |
| Chiropractic visits Covered up to 26 visits per year for spinal manipulations, X-rays | Deductible plus 10% copay | Deductible plus 30% copay |
| Dental services (due to injury) | Deductible plus 10% copay | Deductible plus 30% copay |
| Hemodialysis Covers services at a hospital outpatient department or in your home from an approved provider | Deductible plus 10% copay | Deductible plus 30% copay |
| Physical, occupational and speech therapy | Deductible plus 10% copay | Deductible plus 30% copay |
| Other covered services | At a Blue-participating provider | At a non-Blue provider |
| Hearing care and hearing aids, covered every 36 months at an approved provider | Deductible plus 10% copay | You pay all charges |
| Mental health and substance abuse treatment | At a Blue-participating provider | At a non-Blue provider |
| Outpatient mental health services | | |
| At an outpatient mental health facility | Deductible plus 10% copay | All charges |
| Mental health services in a physician's office | Deductible plus 10% copay | Deductible plus 30% copay |
| Substance abuse care | Deductible plus 10% copay | All charges |
| Medical equipment and supplies, prosthetics and orthotics | At a SUPPORT network supplier | At a non-SUPPORT supplier |
| From an independent medical supplier | Covered in full | 20% copay plus difference in cost |
| Medical equipment and supplies, prosthetics and orthotics (Outside of Michigan) | At a Blue-Participating Provider | Non-Blue Participating Provider |
| From an independent medical supplier | Deductible plus 10% copay | Deductible plus 10% coinsurance plus difference in approved amount and charged amount |
| Medical equipment and supplies, prosthetics and orthotics | In network | Out of network |
| From a physician's office or outpatient hospital | Deductible plus 10% copay | Deductible plus 30% copay |

Formulary drugs

The formulary is updated as new drugs become available or existing ones are removed from the market. The formulary is available on the Catalyst Rx Web site (www.catalystrx.com). The formulary contains provisions that ensure the quality and safety of your drug therapy. These programs include:

- **Step Therapy**, which encourages doctors to try proven, lower-cost drug therapies before trying new or more potent medications. The idea is to 'step up' to the next medication only when medically necessary for coverage under the plan.
- **Prior Authorization**, which requires that your doctor contact Catalyst Rx for approval before prescribing certain medications for coverage under the plan.
- **Quantity Limits**, which limit the number of doses you can receive of a medication at any one time.

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| Your prescription drug coverage | | What you pay |
|--|---|--|
| Formulary | The plan uses the Custom Formulary. To learn if a drug is on the formulary, visit www.catalystrx.com or call 1-866-288-5209. | |
| Covers FDA-approved prescription medications in quantities up to three months (Note: certain prescription drugs may be limited to lesser quantities) | Formulary drug | Nonformulary drug |
| | 20% copay | <ul style="list-style-type: none">• For brand-name drugs with no generic equivalent: 40% copay.• For brand-name drugs with a generic equivalent: 20% copay plus the difference in cost between the brand-name and generic products. |
| Up to a one-month supply | Minimum copay \$7; maximum \$36 | Minimum copay of \$7; no maximum |
| Annual drug copay maximum | When your 20% copays (up to the plan limits) total \$1000, your 20% drug copay is waived for the remainder of the calendar year. If you are enrolled in LivingWell, when your 20% copays (up to the plan limits) total \$900, your 20% drug copay is waived for the remainder of the calendar year. | Only half of the 40% nonformulary drug copay is applied towards the annual drug copay maximum (up to the plan limits). When these copays total \$1000, your 20% copay, up to the copay maximum amount, is waived for the remainder of the calendar year. You continue to pay any additional costs, including the additional copay for nonformulary drugs and the cost difference between brand-name and generic drugs. |
| Pharmacy networks | The plan features pharmacy networks both in Michigan and elsewhere in the U.S. Catalyst Rx has over 60,000 contracted pharmacies across the country. For a current list of network pharmacies near you, visit www.catalystrx.com or call 1-866-288-5209. | |
| Maintenance drugs | Medco By Mail® offers Retirement System members the most convenience and lowest cost for maintenance drugs. Purchase maintenance drugs in the most cost-effective setting or pay the difference in cost. | |
| Benefit maximums | | |
| Annual copay maximums | After you reach the copay maximum, your copay is waived for the remainder of the calendar year: <ul style="list-style-type: none">• Health coverage: \$700 per member for services subject to a 10% copay or \$600 for members enrolled in LivingWell.• Prescription drugs: \$1,000 per member on 20% copay up to plan limits or \$900 for members enrolled in LivingWell. | |
| Lifetime benefit maximums | \$1 million lifetime maximum per member for outpatient services Separate \$1 million maximum per organ for specific organ transplants | |

Coverage outside of Michigan

Whether you're traveling or live outside Michigan, the BlueCard® program provides coverage without added cost. As part of the national Blue Cross Blue Shield Association of health plans, you'll find Blue Preferred PPO providers in every state. Using BlueCard will minimize your cost and, in most cases, eliminate the need to file a claim. If you need prescriptions filled outside Michigan, the Catalyst Rx network offers over 60,000 pharmacies throughout the U.S.

Helping to keep you in the best of health

The health plan is designed to help you stay well, and provide quality care when you're not. Blue hospitals and physicians are selected for their commitment to providing high quality care. As a health plan member, you have access to the Cardiac Centers of Excellence, a statewide collection of hospitals specializing in treating heart disease.

You'll also have access to free health information via BlueHealthConnection®, a comprehensive health and information program. You can speak directly with a health coach for answers to your health questions by calling the Health Coach Hotline at 1-800-775-BLUE (2583).

The member newsletter, *Best of Health*, keeps you up to date about your health plan, shows you how to make the most of your health coverage and offers information on wellness and important health issues.

Have questions? Call Blue Cross Blue Shield Customer Service toll-free at 1-800-422-9146, 8:30 a.m. to 5 p.m., Monday through Friday. For current information about providers participating in the network, visit our Web site at www.bcbsm.com or call Customer Service.

Contacting Catalyst Rx

Catalyst Rx has been selected as your Prescription Benefit Manager. Catalyst Rx Customer Service Representatives can assist by providing you with information on your plan's prescription benefits. Some of those items may include medication coverage information, copayment information, and deductible information and assistance with locating a pharmacy in your area that can fill prescriptions for you and your covered family members. If you have specific questions regarding your medication coverage and benefits, call Catalyst Rx at 1-866-288-5209.



Monthly Insurance Rates

For Public School Retirees

Effective January 1, 2011 through December 31, 2011

Please review these monthly rates to verify the accuracy of your insurance deduction. The Master Health Care Plan rates include a \$10 prescription drug insurance premium. Contracts under the Master Health Care Plan where no one has prescription drug coverage will pay the HMO premium. If you need to report changes in coverage to the Office of Retirement Services (ORS) use the *Insurance Enrollment/Change Request* (R0452C). ORS cannot make premium refunds.

Note: Members are responsible for an annual deductible. If you have or begin such a contract, you must meet the contract's entire deductible before benefits begin. You can find an overview of plan coverage and deductibles for the Master Health Care Plan and participating HMOs on the *Insurance Options Summary* (R0379C). For additional information, contact your HMO.

Health Plan

| | Total Premium | | Retirement Paid Subsidy* | Amount Deducted From Your Pension | |
|---|-------------------------|-------------|--------------------------|-----------------------------------|-----------|
| | Master Health Care Plan | HMO | All Plans | Master Health Care Plan | HMO |
| Without Medicare | | | | | |
| Self | \$ 659.79 | \$ 649.79 | \$ 534.39 | \$ 125.40 | \$ 115.40 |
| Self and Spouse | 1,215.66 | 1,205.66 | 1,034.67 | 180.99 | 170.99 |
| Self and Child(ren) | 904.10 | 894.10 | 754.27 | 149.83 | 139.83 |
| Self, Spouse, and Child(ren) | 1,459.96 | 1,449.96 | 1,254.54 | 205.42 | 195.42 |
| With Medicare (Parts A & B) | | | | | |
| Self | \$ 275.28 | \$ 265.28 | \$ 265.28 | \$ 10.00 | \$ 0.00 |
| Self and Spouse | 526.54 | 516.54 | 491.41 | 35.13 | 25.13 |
| Self and Child(ren) | 519.59 | 509.59 | 485.16 | 34.43 | 24.43 |
| Self, Spouse, and Child(ren) | 770.84 | 760.84 | 711.28 | 59.56 | 49.56 |
| One With Medicare and One Without Medicare | | | | | |
| Self W/O Medicare & Spouse W/Medicare | \$ 911.05 | \$ 901.05 | \$ 760.52 | \$ 150.53 | \$ 140.53 |
| Self W/ Medicare & Spouse W/O Medicare | 831.15 | 821.15 | 765.56 | 65.59 | 55.59 |
| Self W/O Med. & Spouse W/Med. & Child(ren) | 1,155.35 | 1,145.35 | 980.39 | 174.96 | 164.96 |
| Self W/Med. & Spouse W/O Med. & Child(ren) | 1,075.45 | 1,065.45 | 985.43 | 90.02 | 80.02 |
| Both Husband & Wife Are Public School Retirees | | | | | |
| Self and Spouse W/O Medicare | \$ 1,215.66 | \$ 1,205.66 | \$ 1,034.67 | \$ 180.99 | \$ 170.99 |
| Self, Spouse and Child(ren) Without Medicare | 1,459.96 | 1,449.96 | 1,254.54 | 205.42 | 195.42 |
| Self and Spouse with Medicare | 526.54 | 516.54 | 516.54 | 10.00 | 0.00 |
| Self, Spouse and Child(ren) With Medicare | 770.84 | 760.84 | 736.41 | 34.43 | 24.43 |
| One Without Medicare and One With Medicare | 831.15 | 821.15 | 765.56 | 65.59 | 55.59 |
| One Without and One With Medicare & Child(ren) | 1,075.45 | 1,065.45 | 985.43 | 90.02 | 80.02 |

* For more information on premium subsidies, visit the insurance section of the ORS website.

Deferred Members Only—Master Health Care Plan

A **deferred member** is one who terminates Michigan public school employment on or after October 31, 1980, after having satisfied the minimum service credit requirement for a pension, but **not** the minimum age requirement. A member in this category may apply for a pension and health insurance when the age requirement is met. **See the reverse side for details about deferred member eligibility for premium subsidies.**

Over For Dental/Vision Rates →



www.michigan.gov/ORSschools



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Monthly Insurance Rates

For Public School Retirees

Effective January 1, 2011 through December 31, 2011

Please review these monthly rates to verify the accuracy of your insurance deduction. Report changes in coverage in writing to the Office of Retirement Services (ORS). ORS cannot make premium refunds.

Dental/Vision Plan

| | Total Premium | Retirement Paid Subsidy* | Amount Deducted From Your Pension |
|------------------------------|---------------|--------------------------|-----------------------------------|
| Self | \$34.77 | \$31.29 | \$3.48 |
| Self and Spouse | 69.54 | 62.58 | 6.96 |
| Self and Child(ren) | 69.54 | 62.58 | 6.96 |
| Self, Spouse, and Child(ren) | 104.31 | 93.87 | 10.44 |

* For more information on premium subsidies, visit the insurance section of the ORS website.

Deferred Members Only—Dental/Vision Plan

A **deferred member** is one who terminates Michigan public school employment on or after October 31, 1980, after having satisfied the minimum service credit requirement for a pension, but **not** the minimum age requirement. A member in this category may apply for a pension and dental/vision insurance when the age requirement is met.

Deferred Members Only—Subsidy Eligibility

Deferred members with less than 21 years of service are eligible for master health care and/or dental/vision insurance at retirement, but must pay the full **Total Premium** for each type of insurance.

Deferred retirees with 21 to 29 years of service are eligible for a partial premium subsidy amounting to 10% of the **Retirement Subsidy** for each full year of credited service over 20 (e.g., 21 years = 10%, 22 years = 20%, etc.).

Deferred retirees with 30 or more years of service are eligible for the full **Retirement Subsidy**.

Example: An employee who terminated public school employment at age 52 with 23 years of service is eligible to receive a deferred pension at age 60. The health care subsidy for coverage of self, spouse and child(ren), without Medicare, would be 30% of \$1,459.96 or \$437.99. Meaning \$1021.98 (\$1,459.96 less \$437.99) would be deducted from the monthly pension for health care coverage for the Master Health Care Plan and \$1,011.98 (\$1449.96 less \$437.99) would be deducted for an HMO plan.

The dental subsidy for coverage of self, spouse and child(ren), without Medicare, would be 30% of \$104.31 or \$31.29. That is, \$73.02 (\$104.31 less \$31.29) would be deducted from the monthly pension for dental coverage.

Over For Master Health Care Plan and HMO Rates →



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